

## Message Text

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ACTION L-03

INFO OCT-01 NEA-10 ISO-00 NSC-05 INR-07 CIAE-00 EB-07

OMB-01 SS-15 SSO-00 USIA-06 FBO-02 A-01 AGR-05 COME-00

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R 021105Z AUG 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5586

C O N F I D E N T I A L CAIRO 7619

E.O. 11652: GDS

TAGS: EFIN, PFOR, CPRS, EG

SUBJECT: US CLAIMS AGAINST EGYPT (FIFTEENTH MEETING OF JOINT  
COMMITTEE)

REF: A. STATE 182341 B. STATE 181731 C. CAIRO 7516

1. THE FIFTEENTH MEETING OF THE JOINT COMMITTEE WAS  
HELD AT UNDERSEC DEWIDAR'S OFFICE ON SATURDAY, AUGUST 2.
2. THE MEETING WAS SHORT AND LARGELY CEREMONIAL  
WITH EXCHANGE OF PLEASANTRIES AND MUTUAL RESPECT AND ESTEEM.
3. FOLLOWING REVIEW OF BASIC POINTS PREVIOUSLY  
DISCUSSED AND REPORTED, DEWIDER SAID HE WANTED TO  
STATE SOME VIEWS REGARDING REMAINING TASK OF THE  
JOINT COMMITTEE DURING THE RECESS AND IN THE FUTURE.  
(A) BECAUSE OF AGREEMENTS ALREADY CONCLUDED BY EGYPT,  
GOE WILL NOT RECOGNIZE AND PAY INTEREST, LOSS OF  
PROFITS AND GOODWILL. (B) GOE WILL NOT PAY  
EXAGGERATED CLAIMS SUCH AS FIREMEN'S  
INSURANCE COMPANY, HAMILTON WRIGHT ORGANIZATION,  
AMERICAN/EXPORT ISBRANDTSEN, NADLER AND OTHER SIMILAR  
CASES. (C) CONTRACTUAL AND DEBT OBLIGATIONS AND  
MISCELLANEOUS CASES NOT INVOLVING LAND REFORM, SE-  
QUESTRATION AND NATIONALIZATION WILL BE EXCLUDED  
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ALSO. (D) THE AMOUNTS OF THE CLAIMS MENTIONED IN

SUBPARAGRAPHS (A)(B) AND (C) IMMEDIATELY PRECEDING SHOULD NOT BE INCLUDED IN ANY GLOBAL LUMP-SUM. (E) THE JOINT COMMITTEE SHOULD ASSUME ROLE OF A FAIR JUDGE, AND THE ENTITLED US CLAIMANTS SHOULD BE COMPENSATED ON THE GENEROUS SIDE IN A GLOBAL LUMP-SUM WHICH WILL BE DISTRIBUTED BY THE USG ON ITS SOLE RESPONSIBILITY. DEWIDAR FURTHER ASKED THAT THE US SIDE TAKE THE FOREGOING INTO ACCOUNT IN PROPOSING SOLUTIONS FOR THE REMAINING PROBLEMS AND THE GLOBAL LUMP-SUM WHEN THE JOINT COMMITTEE RECONVENES IN MID-OCTOBER. US SIDE NOTED HIS VIEWS AND SAID THAT THEY WOULD BE REPORTED TO WASHINGTON.

4. IT WAS AGREED THAT THE JOINT COMMITTEE RECON- VENE DEFINITELY ON OCTOBER 15 SUBJECT TO LAST-MINUTE CHANGE BY AGREEMENT. DESIDAR SAID THAT HE WOULD CONTINUE TO BE CHAIRMAN OF THE EGYPTIAN SIDE.

5. THIS IS THE LAST OF THE SERIES OF REPORTS ON THE MEETINGS OF THE JOINT COMMITTEE FOR THIS SESSION.

6. CLAIMS FILES AND MATERIALS WILL BE SENT BACK TO DEPARTMENT BY AIRPOUCH NEXT WEEK.

7. REGRET THAT REFTEL (A) WAS NOT RECEIVED BY HUANG IN TIME FOR FIFTEENTH MEETING. IN ANY EVENT REFTEL (B) HAS NOT YET BEEN RECEIVED BY EMBASSY.

8. COMMENT: WHILE THE FINAL CLAIMS AGREEMENT REMAINS TO BE SIGNED, THE PROSPECT OF THE CLAIMS NEGOTIATIONS IN THE FUTURE APPEARS TO BE GOOD UNLESS THE OVERALL RELATIONSHIP BETWEEN THE TWO COUNTRIES ALTERS RADICALLY. SINCE THE DISCUSSIONS ON BOTH USG AND PRIVATE CLAIMS AGAINST EGYPT BEGAN LAST MARCH/APRIL THE FOLLOWING HAVE TRANSPIRED:

(A) GOE HAS SETTLED CASE OF DAMAGE TO USG PROPERTY IN 1964 IN CAIRO AND WILL FORMALLY TRANSFER TITLE TO USIS BUILDING TO USG.

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(B) GOE HAS ALREADY TAKEN STEPS TO RELEASE A PARCEL OF LAND AND FACILITIES CLAIMED AT \$1 MILLION TO AMERICAN MISSION IN EGYPT. IN ORDER TO EXPEDITE SETTLEMENT THIS CASE GOE HAS DESIGNATED SPECIAL MESSENGER TO INVESTIGATE AND MAKE SPOT REPORT.

(C) PORT SAID COURT HAS DEPOSITED CHECK IN AMOUNT OF LE 45,462 IN NAME USG IN NATIONAL BANK OF

EGYPT, CAIRO IN S.S. BRIDGEHAMPTON CASE (IN LITIGATION SINCE 1962).

(D) GOE HAS AGREED (AD REFERENDUM) TO INCLUDE BLOCKED BANK ACCOUNTS OF US NATIONALS IN EVENTUAL GLOBAL LUMP-SUM SETTLEMENT WITHOUT DISPUTING WHETHER SUCH ACCOUNTS ARE PROPERLY SUBJECT OF CLAIMS UNDER INTERNATIONAL LAW.

(E) GOE HAS OFFERED TO PAY FOR AGRICULTURAL LAND AT FAIR PRICE, THE AGGREGATE AMOUNT OF WHICH WOULD ENABLE USG TO PAY VIRTUALLY 100 PERCENT OF AGGREGATE AMOUNT CLAIMED BY USG CLAIMANTS IN THAT CATEGORY IN ACCORDANCE WITH USG METHODS OF DISTRIBUTION (EXCEPT THE AMERICAN MISSION CASE).

(F) GOE HAS AGREED IN PRINCIPLE (AD REFERENDUM) ON CHOICE OF GLOBAL LUMP-SUM SETTLEMENT AGREEMENT WHICH BEST MEETS OPTICAL AND SUBSTANTIVE NEEDS OF BOTH COUNTRIES.

(G) CONCEDEDLY, THERE REMAINS OTHER PROBLEMS SUCH AS INTEREST, DETAILS OF VALUATION, LOSS OF PROFITS, GOODWILL, AND MODALITY OF PAYMENT OF LUMP SUM. HOWEVER, IN THE PRESENT ATMOSPHERE IN THE JOINT COMMITTEE OF FRIENDLY COOPERATION AND WILLINGNESS TO COMPROMISE, THEY APPEAR MANAGEABLE IF OVERALL GLOBAL AMOUNT IS SUFFICIENTLY LARGE AND ADEQUATE FOR USG.  
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## Message Attributes

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